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This circular outlines the various insurance plans and benefits available to KUBARK personnel. It is intended to furnish basic information only; and serve as ready reference for the station. Consult HQS when in doubt.

I. Health and Accident Insurance

A. Group Plans

1. Specified Diseases Policy (Mutual of Omaha)

a) Eligibility:

Available to all members of GEHA. If applicant is not a member, a one-dollar membership fee is charged. The insurance is effective when the condition first manifests itself more than 15 days after the policy date; i.e., the day the application is made. Annual premium pro-rated to carry coverage to 1 December.

b) Premiums:

Single	\$ 4.00/year
Family	10.00/year

(wife, or husband, and unmarried children under 21)

c) Coverage:

This policy specifically covers these diseases:

Polio	Diphtheria	Cerebral Meningitis
Leukemia	Smallpox	Encephalitis
Scarlet Fever	Spinal Meningitis	Tetanus
	Rabies	

The company will pay benefits for expenses actually incurred within three years after the date of the first treatment, up to a maximum of \$10,000 for each incidence of each such disease.

The benefits include:

Doctor Bills	Drugs and Medicines	Hospital Bills
Iron Lung	Special Nurse	Wheelchair
Ambulance	Braces and Crutches	X-Ray and Lab
	Transportation by Air or Rail	

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d) Termination:

Coverage will cease upon failure to pay renewal premiums or upon termination of employment. If, at time of termination, a person is receiving benefits under the policy, such benefits will continue to be paid for the balance of his entitled period.

2. Special Income Replacement Plan (Mutual of Omaha)

a) Eligibility:

Offered to preferred risks only. Limited to members who have no physical impairment and are working full-time. Maximum age for applicants is 68. If not already a member of GEHA, a \$1.00 membership fee is required.

Applications must be accompanied by premium payment. Overseas personnel must submit a report of physical examination performed by Organization doctors or private physicians, at the employee's expense.

b) Premiums and Benefits:

	<u>Weekly Benefit</u>	<u>Annual Premium</u>	<u>Semi-Annual Premium</u>
Class 1	25.00	30.20	---
Class 2	50.00	60.40	30.20
Class 3	75.00	90.60	45.30
Class 4	100.00	120.80	60.40

c) Coverage:

Accident Benefits:

For total disability weekly benefits are paid beginning with 31st day after the accident and for as long as total disability exists--even for life.

For partial disability one-half the weekly benefit is paid beginning with the 31st day of disability and continuing for a period as long as 13 weeks.

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Sickness Benefits:

For total disability weekly benefits are paid beginning with the 31st day of disability and for as long as 10 years.

Aircraft Passenger Coverage:

The policy covers injury suffered by the insured while boarding, riding in, or alighting, as a passenger, from a licensed passenger aircraft, piloted by a licensed transport pilot on regularly scheduled passenger routes.

Medical Benefits Included:

In the event of injuries not causing loss of time, the policy will pay for the treatment of injuries up to the amount of one weekly payment for any one accident.

Other Provisions:

The policy covers all disabilities arising after the insurance is effective, regardless of date of origin or ailment causing such disability.

Premium payments are waived after six months of continuous disability. No further premium payments are necessary for the duration of the disability.

The policy provides a 31-day grace period for payment of renewal premiums.

Suicide, military service, war, private flying and pregnancy are excluded from coverage.

d) Termination:

Policy terminates for failure to pay premium, or upon termination of employment.

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Approved For Release 2001/08/09 : CIA-RDP68-00140R000200200002-6

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4. Parents Plan (PAMA)

a) Coverage:

Provides hospitalization and surgical insurance coverage to eligible parents or step-parents, and parents-in-law of full-time employees. Parents will be eligible for coverage when they have attained the age of 65. They need not be financially dependent upon the employee to be eligible for enrollment. An application for coverage for parent must be received no later than 31 days after the parent's 65th birthday. An application for coverage for parent of a new employee whose parent is age 65 or older may be submitted no later than 31 days after the employee's EOD date.

b) Costs:

The premium cost is \$6.85 per month for each parent covered, with the following benefits being paid to the employee for expenses incurred by his insured parent as a result of accident or illness:

Hospital Room & Board	Up to \$12 per day, for up to 60 days for each confinement.
Hospital Extras	Up to \$240 for each confinement.
Hospital Out-Patient Care	Up to \$240 for each illness or injury.
Surgery	Up to \$250 for each period of disability (in accordance with established Surgical Schedule).

c) Exceptions:

Accidents or illnesses which occurred before the effective date of insurance are not covered unless hospital confinement begins or surgical operation is performed 6 months or more after the effective date of insurance. Benefits are payable under this plan regardless of other insurance coverage on the person insured.

Benefits are paid to the employee only. There is no conversion of this plan, and any termination of policy is final.

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B. U.S. Government Benefits

1. Federal Employees Compensation Act (FECA)

Covers medical care, disability, or death of civilian employee of the government who suffers illness, injury, or death in the performance of duty.

Entitlements of the Act Include:

- Payment for medical services and supplies. Full coverage, w/o cost to you.
- Compensation for loss of salary. W/dependents, 75% of salary; w/o, 66 2/3% max. \$525/mo.
- Compensation for loss of wage earning capacity based on degree of disability. Percentage figures above, or you may be paid under schedule for certain perm. disab.
- Scheduled awards for specific disabilities.
- Death benefits based on employee's pay, and number, age, and relationship of dependents. Up to a max. of 75% of your salary or \$525/mo.
- Allowance for funeral expenses up to \$400.

The compensation for lost time is based on a percentage of gross pay. It will not be paid concurrently with salary payments (accrued sick and annual leave). The employee has option of claiming compensation for lost time or of charging it to accrued sick and annual leave.

2. Employee Overseas Medical Benefits:

Note: All overseas medical expenses submitted for reimbursement will be screened for applicability to the Employee Overseas Medical Benefits Plan and/or Dependents Program before being submitted to the other insurance programs. All claims should, therefore, provide sufficient details to expedite this processing.

Under the provisions of the Organization Act, KUBARK may reimburse for hospital and related medical expenses incurred while PCS overseas outside the continental limits of the U.S., its territories, and possessions. This coverage was expanded by the Overseas Differentials and Allowances Act, 6 September 1960, to include TDY overseas.

Staff Employees and Staff Agents are covered; Career Agents and Contract Employees are covered provided that they are U.S. citizens.

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Personnel are covered under the "line-of-duty" principle, 24 hours a day, as opposed to the "performance-of-duty" concept of F.E.C.A. Hospital, related medical expenses, and transportation expenses incident thereto are reimbursed. Injuries or illnesses resulting from vicious habits, intemperance, or misconduct are not covered. No compensation is provided in lieu of the use of accrued sick and annual leave.

This program--and the Dependent Program described below--generally requires that the facilities used be those designated by KUBARK if reimbursement is expected by KUBARK. Claims for service in unlisted facilities are not automatically disapproved. They will, however, be scrutinized for justification, adequate treatment, and reasonable costs. Headquarters approval will be requested for use of non-listed facilities, time permitting. The Chief of Base will approve use of unlisted facilities in emergency situations.

3. KUBARK'S Dependent Program

Covers dependents of Staff Employees, Staff Agents, and--provided the sponsors are U.S. citizens--the dependents of Career Agents and Contract Employees.

KUBARK will reimburse for hospital and related medical expenses of dependents of such personnel assigned PCS outside the U.S., its territories and possessions. The illness or injury must require hospitalization or similar treatment and not be the result of vicious habits, intemperance, or misconduct. KUBARK will reimburse for expenses above the first \$35, and for a maximum treatment of 120 days. The time limit may be waived if justified by the facts of a particular case.

Exclusions:

- Hospitalization in a non-approved facility by personal choice.
- Normal Pregnancy.
- Elective correction of pre-existing conditions.
- Ordinary dental care unless in-patient hospital care is required.
- Cosmetic or prosthetic care.
- Claims resulting from the taking of unwarranted risks, e.g. skin-diving, steeplechasing, etc. However, recreational activities normal at a given post are not considered as taking "unwarranted risks". Skiing in Europe is a normal recreational activity, and medical expenses resulting from skiing accidents will be reimbursed under the Dependent Medical Program.

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4. Federal Employees Health Benefits Act

a) Association Benefit Plan

This plan is administered by GEHA and offers high or low option coverage. Premiums will be paid by payroll deductions.

	<u>High & Major Medical</u>	<u>Low</u>
Hospital Room & Board	Max. \$20/day for 90 days*	Max. \$13.50/day for 90 days
Other Hospital Expenses	\$202.50 plus 80% of next \$5000*	\$202.50 plus 80% of next \$5000*
Surgical	Up to \$500 (see schedule)*	Up to \$250 (see schedule)
Maternity	\$16/day for 8 days (see schedule)*	\$10/day for 8 days (see schedule)

*Major Medical (\$100 deductible) pays 80% of balance up to \$20,000 per person. There is a separate yearly deductible for each family member.

Cost/Month

	<u>High</u>	<u>Low</u>
Self	2.82	1.61
Family	8.71	4.40

The low option coverage is considered suitable for overseas personnel, since they are also covered by the Overseas Medical Benefits and Dependents Plans. Options may be changed upon change of PCS.

The plans will be convertible to individual policy upon resignation from the Federal Service in which event the individual would pay the entire premium. However, upon retirement, you would continue to receive the same coverage and the government would continue to pay its share.

Upon retirement, you may continue coverage if you have completed 12 years of Government service or retire for disability, if you receive an immediate annuity, and if you have been enrolled in the health plan during all of your service or if you enroll

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before 31 December 1964 and continue participation until retirement.

- b) Blue Cross Plan - see Admin Office
- c) Aetna Life Insurance Plan - see Admin Office
- d) Group Health Association Plan - see Admin Office

II. Life Insurance Plan

A. Group Plans

1. United Benefit Life (UBLIC)

a) Eligibility:

Open to all members of GEHA, or applicants who pay \$1 membership fee provided they have not yet reached their 60th birthday. Protection may be continued until 65 at which time the face amount and accidental-death coverage will be reduced by 50%. Detailed military personnel are eligible within the age requirements stated above.

Applications may be made without a Health Statement only within 60 days of EOD. Beyond this period, a Health Statement is necessary, and a physical examination may be required. Payment of two months premium must accompany the application as well as the GEHA membership fee for non-members.

b) Premiums:

<u>Class</u>	<u>Face Amount</u>	<u>Accidental Death</u>	<u>No Cost Dependent Cov.</u>	<u>Monthly Cost</u>
1	\$ 3,000			
2	6,000		\$1,000 for spouse and each child	
3	9,000		age 5 thru 20. Lesser amounts for younger children.	
4	12,000	same amount		\$.50/1,000
5	15,000			
6	20,000			
7	25,000			
8	30,000			

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An increase in coverage may be requested and Form 1677, Health Statement, must be included with it.

c) Coverage:

The policy pays the face amount, plus a similar amount in case of death by accidental causes within 90 days from the date of the accident. Excluded from the accidental death benefit is death caused

- By bacterial infections except these occurring through an accidental cut or wound.
- By any kind of disease.
- By medical or surgical treatment except that resulting directly from injuries covered by the policy
- By suicide.
- By death from injuries received in aviation except as a passenger.
- By death occurring after waiver of premium.

The death of a person who is or becomes a member of the military service, which results from an Act of War, is not covered by the policy. Accidental Dismemberment - payments in accordance with a schedule.

d) Other Features:

Premium payments are waived in the event the insured becomes totally and permanently disabled prior to reaching age 60 and the policy will remain in effect until recovery or death regardless of age.

The beneficiary may elect to have death benefits paid in a lump sum, monthly installments, or combination thereof.

Upon termination, the life insurance protection continues in effect for 31 days. Within 31 days of termination or upon reaching age 65, the insured may convert the policy to any permanent plan underwritten by UBLIC (except Term Insurance) without a report of physical examination.

2. WAEPA - Life Insurance (Equitable Life Assurance Society)

a) Eligibility:

Detailed military personnel are not eligible for the policy.

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Application may be submitted at any time upon payment of a \$2 WAEPA membership fee and two months' premiums. A Health Statement must be submitted and the underwriter reserves the right to require medical examination prior to final acceptance.

b) Premiums:

<u>Age Group</u>	<u>Salary</u>	<u>Face Amount</u>	<u>* Supp.</u>	<u>Acc. Death</u>	<u>Total</u>	<u>Monthly Cost</u>
Up to 40 Incl.	Less than \$3200	7,500	2,500	12,500	20,000	4.47
	\$3200 & Over	15,000	5,000	25,000	40,000	8.63
41-50 Incl.	Less than \$3200	7,500	1,250	12,500	20,000	5.51
	\$3200 & Over	15,000	2,500	25,000	40,000	10.72
51-65	Less than \$3200	7,500	625	12,500	20,000	6.55
	\$3200 & Over	15,000	1,250	25,000	40,000	12.80

*Presently these are the supplemental amounts provided at no additional cost, and are subject to change; hence, are not included in the total for this reason.

Insurance rates automatically increase as the insured reached the next age group.

c) Coverage:

The accidental death benefits listed above do not cover.

- Death from bacterial infection except that cause wholly by injury.
- Death from medical or surgical treatment except that made necessary by injury.
- Death by suicide.
- Death from injuries received in aviation except as a passenger.

Accidental Dismemberment - according to schedule.

d) Other Features:

Beneficiary may elect to receive benefit payments in lump sum or installments.

Coverage terminates upon separation from government service, for nonpayment of premiums, or entry into the armed forces of any country.

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Upon reaching age 65: the amount of insurance is reduced to 1/3 of the original face amount. Premiums, however, remain the same. When employment is terminated, this extended coverage can be transferred to the Underwriter.

The Accidental Death Benefit feature is cancelled.

The policy provides dependent insurance of \$1000 for the spouse and each child over 5 years of age, and lesser amounts for younger children.

Within 31 days of termination of active employment, the policy may be converted to any of the forms issued by Equitable except Term Insurance.

3. Federal Employees Group Life Insurance Program (FEGLI)

a) Eligibility:

Automatically available to all federal employees unless waived.

b) Premiums:

The insured pays \$.50/1000 per four-week pay period through payroll deduction. The face amount of one's policy is equal to his salary if a multiple of \$1000, or the next higher \$1000 dollars.

c) Coverage:

The plan provides life insurance, accidental death, and dismemberment benefits.

At all times, regardless of age, during employment the employee has the full amount of insurance applicable to his annual salary, and payroll deductions will continue to be made at the rate applicable to his salary. There is no provision, during employment, to continue insurance without cost in a reduced amount. However, there is no cost for any pay period for which no pay is received.

Upon retirement, either for disability or after at least 12 years of creditable service (5 of which are in civilian service), the life insurance will be continued without cost to the insured. Each month following retirement or 65th birthday, whichever is later, the life insurance will be reduced by 2% of the original face amount until your life insurance reaches 25% of the amount held at retirement.

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III. Travel Insurance

1. Travel-Matic (Mutual of Omaha)

a) Eligibility:

Available to all KUBARK employees regardless of age. Field applications require authorized official to certify to the signature and date of signature.

b) Premiums:

The policy is issued for a minimum of \$25,000 and maximum of \$100,000 principal sum.

Example:

<u>Principal Sum</u>	<u>Medical Benefit</u>	<u>Annual Premium</u>
25,000	1,250	16.00
50,000	2,500	31.00
75,000	3,750	46.00
100,000	5,000	61.00

c) Coverage:

The policy provides for \$25,000 to \$100,000 cash benefits for accidental death on any common carrier. The insured is covered for any kind of travel--from intra-city to inter-continent, for business or pleasure--on any public transportation vehicle including non-scheduled airlines, if certified as to air-worthiness. The policy is sold on an annual basis and provides for:

- Accidental Death and Dismemberment Benefit--the principal sum is payable for loss of life or loss of double limb or eyes; one-half principal sum is paid for loss of single limb or eye.
- Medical Expenses - up to \$50 for each \$1,000 of principal sum within 52 weeks immediately following the accident.
- Principal sum increases 5% for each year policy is in force up to a maximum increase of 25%.

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2. Air Flight Trip Insurance (Mutual of Omaha)

a) Eligibility:

Available to all KUBARK employees.

b) Premiums:

\$.50/15,000. Minimum coverage is \$15,000 and the maximum is \$150,000. This policy is available in multiples of \$15,000.

c) Coverage:

Dismemberment payments according to a schedule.

The insured is covered for a one-way or round trip to any place in the world via regular scheduled airline. The insurance begins at 12:01 Standard Time on the effective date at the point of departure and terminates upon completion of the trip. In no event will the insurance extend beyond a period of 12 months.

The principal sum is paid for loss of life, limbs, or sight resulting from accidental bodily injuries received during any portion of the round trip.

The medical benefits provide for expenses actually incurred by the insured within 52 weeks of the accident, not to exceed \$50 per \$1,000 of principal sum.

The policy does not cover loss from disease, war, suicide, and crew members of aircraft.

3. Emergency Travel Plan

a) Eligibility:

Available to all government employees.

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b) Premiums:

<u>Age of Named Person</u>	<u>1st Person Named</u>	<u>Each Additional Named Person</u>
0-49	\$32.00	\$13.00
50-64	40.00	21.00
65-69	50.00	31.00

c) Coverage:

This policy insures the payment of 75% of the actual round trip, first class transportation cost to the purchaser or designated person from duty point to place where presence is required as a result of serious illness or death of a named person. The maximum payable is \$1,500.

- Named Person

The person, family member or other, specifically named on the application form. Such person may not be 70 when application is made. The applicant must certify that the named person has never had cancer and has not had a heart attack or other serious illness in 4 months preceding application date.

- Very Serious Illness

Medical condition such as to warrant placing patient on critical list and recommendation by the physician that the purchaser should be in attendance.

- Designated Person

Any one adult member of purchaser's family may be designated to make the trip provided he is designated on the application.

The policy will terminate upon the payment of a claim, but may be renewed with a full annual premium covering one year from date of new application. In the event a claim is paid for serious illness of named person, the policy may be renewed but a second claim for that named person, within six months of the first claim, will not be paid.

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- Approval of Claims

GEHA should be given opportunity to approve or disapprove a claim before the trip is made. Notice from the physician to GEHA providing pertinent information is sufficient to advance money for the trip. However, the right to be reimbursed under the policy shall not be impaired if the individual starts the trip at his own expense before receiving GEHA approval.

4. Flite Plan (Mutual of Omaha)

a) Eligibility:

Available to all KUBARK employees. Field applications will have signature and date of signature certified by authorized official.

b) Premiums:

The annual premium is \$1.20 per \$1,000 for a minimum of \$8,000 principal sum up to a maximum of \$100,000.

c) Coverage:

Provides travel accident insurance benefits - up to \$100,000 in case of death or dismemberment. The principal sum is increased automatically 5% per year, up to a maximum increase of 25%, without increase in premium.

The policy covers:

- Regular scheduled airlines, [REDACTED]
- All land and water common carriers.
- Air coverage on all types of passenger aircraft--government or civilian--which have valid air worthiness certificates and are flown by licensed commercial pilots.

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Loss from suicide and war risk are excluded.

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b) Rates:

	<u>Round Trip*</u>	
	<u>Domestic</u>	<u>Foreign</u>
12,500	\$1.00	\$2.00
25,000	2.00	4.00
50,000	4.00	8.00

*One way cost is 1/2 of these rates.

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IV. Civil Service Retirement

1. The Annuity

a) Computation:

The retiree's basic annuity is computed on the basis of his "high five" average salary and length of service. This "high-five" figure is the average of the highest consecutive five years' salaries earned in civilian service; in most cases, the last five years of service. Length of service includes creditable military service.

Examples:

\$3,333-4,999 High Five Range (Example - \$4,000) 30 years

1% of High Five	\$40	
Plus 25	<u>25</u>	
Times first five years' service	65	- 325
Plus 1 3/4%	70	
Times next five years	x 5	350
Plus 2%	80	
Times remaining years	<u>20</u>	
		<u>1,600</u>
	Basic Annuity	2,275

\$5,000 and up High Five Range (Example: \$10,000 - 30 years)

1 1/2% of High Five	150	
Times first five years' service	<u>x 5</u>	750
1 3/4% of High Five	175	
Times next five years	<u>x 5</u>	875
2% of High Five	200	
Times remaining years	<u>x 20</u>	
		<u>4,000</u>
	Basic Annuity	5,625

Note: The basic annuity may not exceed 80% of the high five average.

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b) Reduction of Basic Annuity:

Your basic annuity figure applies when you have full eligibility, and when you elect to forfeit survivor benefits. It shall be reduced under the following circumstances:

- (1) Retirement before age 60--except for total disability; Subtract $1/12$ of 1% for each month (1% each year) you are under 60 but not under 55; plus $1/6$ of 1% for each month (2% for each year) that you are under 55.
- (2) For civilian service during which no CSR deductions or deposits were made.

Subtract from your basic annuity an estimated 10% of the amount of CSR deductions that could have been made from your salary during such service, plus interest.

- (3) If you elect survivor annuity.

Discount your basic annuity by $2\frac{1}{2}\%$ of the first \$3,600 plus 10% of the balance. You have the option of applying the discount to only part of the annuity. Your survivor's benefit will be $1/2$ of the sum discounted. For example, assume a \$3,000 basic annuity:

Basic Annuity	3,000	Basic Annuity	3,000
$2\frac{1}{2}\% \times 2,400 = 60$		$2\frac{1}{2}\% \times 2,000 =$	
$10\% \times 600 = 60$	<u>120</u>	(Am't Disc.)	50
Elected Annuity	2,880	Elected Annuity	2,950
Survivor Annuity	1,500	Survivor Annuity	1,000

2. Retirement Age:

<u>Earliest Age</u>	<u>Minimum Years of Service</u>	<u>Remarks</u>
62	5	
60	30	
55	30	Annuity reduced for age
50	20	Must be involuntarily separated; Annuity reduced if under 60

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2. Retirement Age (Cont'd):

<u>Earliest Age</u>	<u>Minimum Years of Service</u>	<u>Remarks</u>
any	25	Must be involuntarily separated; Annuity re- duced if under 60
any	5	Must be totally disabled

Retirement is mandatory at age 70 with 15 years service; or if over 70, when 15 years' service is completed.

3. Disability Benefits:

In event of total disability, an employee with a minimum 5 years' service could be retired at any age. His annuity would be the lesser of

40% of his average high five salary, OR-

the annuity he would have received had he worked until 60.

If the employee is 60 or over, disability retirement is permanent. If he is under 60, annual CSC physicals are required!

Total disability is defined as a condition such that the employee, due to disease or injury, is unable to handle his job adequately. It is not required to show that he is disabled for all kinds of work.

In event of recovery before age 60 or restoration of earning power (equal to 80% or more for two consecutive years of the current salary of the job from which he retired), the annuity would be cut off one year after a finding of recovery or restoration of earning power.

4. Survivor Benefits:

a) Widow and Widower

You may elect survivor benefits upon retirement; but if you do so, your basic annuity, or portion thereof, will be discounted as indicated above and your decision is irrevocable. If you elect survivor benefits and your spouse dies first, the discount continues in effect. If you remarry, your new spouse is ineligible for survivor benefits. The elected survivor benefits terminate upon death or remarriage.

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A widower is eligible for survivor benefits if he is incapable of self support and had been receiving at least 1/2 his support from his wife.

A widow or dependent widower are eligible for survivor benefits at any age.

In either case, the survivor benefit is equal to 1/2 the basic annuity or the portion thereof that you have elected to discount. Sec. IV, 1 b 3 p. 18.

b) Children Benefits

Dependent children are eligible for survivor benefits payable until they reach 18, unless incapable of self support, or until they marry or die.

If a wife or husband survives, dependent children will be paid the least of:

- \$600 per child
- 40% of the average salary divided by the no. of children.
- 1800 divided by the no. of children

If no wife or husband survives, dependent children will be paid the least of:

- \$720 per child
- 50% of the average salary divided by the no. of children.
- 2160 divided by the no. of children

In the case of the death of the surviving wife or husband, benefits will be recomputed and paid at the higher rate. Also, as a child becomes ineligible, recomputation will be made of the benefits for any remaining children.

5. Other Information:

a) Redeposit

If you have withdrawn your money from previous service and now wish to receive full credit for such service, you may do so upon repayment of the withdrawal plus 4% interest to 1947, and 3% thereafter. Whether or not you redeposit, your years of total service are counted toward eligibility.

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b) Voluntary Contributions

If your CSR account is paid in full, including redeposits for earlier service, you may make voluntary contributions in multiples of \$25 up to a maximum of 10% of your total basic salary. If you die in active service all the voluntary contributions, plus interest will be returned to your beneficiary in lump sum.

c) Dual Benefits

There is no prohibition on dual retirement benefits. You may retire under CSR, take a private job for a few years, and later also retire under the Social Security Act.

d) Military Service

Military service is credited provided it was active service terminated by honorable discharge. The credit is entirely free.

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S E C R E T

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V. Contract Personnel

KUBARK has insurance plans available to Contract Employees and Career Agents.

1. Life Insurance

a) Eligibility:

An insurance plan is open to Contract Employees and Career Agents who are working full time, have not yet reached their 60th birthday, and are U.S. citizens or resident aliens. The filing of applications for the insurance should be consistent with one's operational relationship with the organization and the cover and security factors involved.

b) Application:

All new Contract Employees may enroll within 31 days of their EOD without a medical report. Applications submitted after the open period must be accompanied by a doctor's statement of satisfactory health.

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c) Coverage and Premiums:

<u>Salary</u>	<u>Class</u>	<u>Face Amount</u>	<u>Monthly Premium</u>
Less than \$5,000	I	\$ 5,000	\$ 4
\$5,000 - \$7,500	II	\$10,000	\$ 8
\$7,500 and up	III	\$15,000	\$12

This is a term insurance policy, sold only in the face amounts shown above. However, persons in categories II and III may elect to purchase a smaller policy, again limited to the face amounts indicated above.

Premium payments will normally be effected by payroll deductions. In a case where there is no Headquarters salary payment, the individual will pay by check, at least quarterly.

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The policy carries a disability provision. In the event of total and permanent disability before age 60, the policy will remain in force without payment of premium.

At age 65 coverage is reduced by 50% with no change in premium costs.

At age 70 the policy is terminated except in cases of total, permanent disability occurring before age 60.

At the option of the beneficiary, death claims will be paid either in lump sum or monthly installments over a period not to exceed 5 years.

When no longer eligible for coverage, the insured may convert, without medical examination, within 31 days to any type of individual policy issued by the underwriter, excepting term insurance.

2. Hospitalization

a) Eligibility:

Effective 1 December 1960, a new Health Insurance Plan was made available to Contract Employees and Career Agents--Contract Agents are excluded. It is limited to full-time contract personnel who are (a) U.S. citizens or resident aliens, (b) whose employee relationship is comparable to that of appointed employees, and (c) whose services have been approximately equated to the General Schedule salary levels of appointed employees for compensation purposes.

Only new Contract Employees or employees converting to Contract Employee status are now eligible to apply and they must apply within 60 days of employment in contract status. Other Contract Employees must wait until the next "open period" for enrollment at which time Health Statements will be mandatory for all new enrollments.

b) Premiums:

There is a membership fee of one dollar.

Premiums are shared by the government and the employee whose portion is deducted from his pay. The employee's portion of the monthly premium is \$1.70 for the Single Plan and \$6.70 for the Family Plan. On a 4-week payroll the figures are \$1.57 and \$6.18.

S E C R E T

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c) Coverage - Basic Plan:

Hospitalization: Up to \$20/day up to 90 days.

Surgical: Up to \$500, in accordance with established schedule.

Maternity (Family Plan only): Up to \$16/day up to 8 days.
Up to \$20 for anesthesia.
Up to \$80 for doctor for normal delivery.
\$150 for Caesarian, and \$50 for miscarriage.

Hospital Extras: Not to exceed \$202.50, plus 80% of covered charges in excess of \$202.50 but with limit of \$5,000.

Out-Patient Care: Up to \$202.50.

Exclusions:

- Dental work and cosmetic surgery, except for repair of accidental injury.
- Eyeglasses, hearing aids, and examinations for them.
- Routine physical exams and immunizations.
- Hospitalization or treatment covered by U.S. Government.
- Charges for "personal comfort" services of a luxury nature.
- Act of war, alcoholism, drug addiction.

Major Medical Benefits Provision:

Provides for payment, after the insured has himself paid \$100, of 80% of all hospital expenses, surgical fees, and certain other medical costs which are not reimbursable under the basic plan.

The maximum payment under the Major Medical Benefits Provision is \$10,000 for each insured person.

S E C R E T

S E C R E T

1 October 1964

This should be useful
to you when questions
on these subjects come
up. *[Signature]*

Nancy
Pls. file
as appropriate
[Signature]

NE Support Brochure
INSURANCE AND BENEFITS

S E C R E T

TRANSMITTAL SLIP		DATE
		9/30/64.
TO: SSA/DDS.		
ROOM NO.	BUILDING	
REMARKS:		
<p>FYI: This will be attached to each copy of the Insurance Brochure.</p> <p>Not No roses should become disappointed!</p>		
FROM: NE/SS - P.		
ROOM NO.	BUILDING	EXTENSION
<p>FORM NO. 241 1 FEB 55</p> <p>REPLACES FORM 36-8 WHICH MAY BE USED.</p> <p>GPO: 1957-O-439445 (47)</p>		